



To: Franklin County Commissioners
 From: Bill LaFayette, Ph.D., owner, Regionomics® LLC
 Date: May 9, 2018
 Re: Economic impacts of construction contracts for the County Corrections Center: Bid DR4a.1 (precast concrete)

The economic impacts of the precast concrete contract for the County Corrections Center (Bid Package DR4a.1) are approximately **\$7.6 million** in increased output (production and spending) in Franklin County, **\$1.6 million** in increased household earnings, and **35** net new jobs. Total value added (household and business earnings, representing the increase in Franklin County gross domestic product) is **\$3.8 million**. These impacts are all temporary, lasting for the duration of the associated construction project.

Economic impacts include:

- Direct impacts, the impacts due to the construction activities themselves.
- Indirect impacts, the impacts arising from purchases from local suppliers by the construction companies and their first-order suppliers.
- Induced impacts, the impacts arising from the spending of wages by direct and indirect workers to support their households.

These impacts are shown for Franklin County and the Columbus Metropolitan Statistical Area (MSA) in Table 1. Note that these impacts do not include allowances, reserves, and other contingent amounts. Impacts are derived using RIMS II economic impact multipliers in a model developed by Regionomics.

**Table 1
 Summary Economic Impacts**

	Direct	Indirect	Induced	Total
Franklin County				
Output	\$ 3,864,000	\$ 1,323,000	\$ 2,426,000	\$ 7,612,000
Earnings	\$ 1,086,000	\$ 220,000	\$ 321,000	\$ 1,626,000
Employment	20	5	10	35
Value added				\$ 3,785,000
Columbus MSA				
Output	\$ 3,864,000	\$ 1,323,000	\$ 2,426,000	\$ 7,612,000
Earnings	\$ 1,086,000	\$ 220,000	\$ 462,000	\$ 1,767,000
Employment	20	5	14	39
Value added				\$ 4,431,000

Table 2 provides the impacts to date, including those of previous contracts. Output impacts total **\$140.3 million**, earnings impacts total **\$34.4 million**, **670** jobs are created or sustained, and value added impacts are **\$80.9 million**.

Table 2
Summary Economic Impacts – Cumulative

	Direct	Indirect	Induced	Total
Franklin County				
Output	\$ 83,929,000	\$ 25,121,000	\$ 31,224,000	\$ 140,274,000
Earnings	\$ 22,770,000	\$ 4,827,000	\$ 6,780,000	\$ 34,377,000
Employment	390	90	190	670
Value added				\$ 80,873,000
Columbus MSA				
Output	\$ 83,929,000	\$ 28,896,000	\$ 51,118,000	\$ 163,943,000
Earnings	\$ 22,770,000	\$ 4,827,000	\$ 9,802,000	\$ 37,399,000
Employment	390	90	270	740
Value added				\$ 94,541,000

The following three tables allocate the Franklin County output, earnings, and employment impacts among the primary industry sectors. Unlike the totals in the previous table, these are not rounded because some of them are small. It is important to note that all economic impact estimates represent only the order of magnitude of the actual impacts.

Table 3
Detailed Franklin County Output Impacts

Industry sector	Direct	Indirect	Induced	Total
Agriculture, forestry, fishing, and hunting	0	773	6,182	6,955
Mining	0	6,568	1,159	7,727
Utilities*	0	15,841	54,092	69,933
Construction	3,863,715	4,636	22,410	3,890,761
Durable goods manufacturing	0	496,101	50,615	546,716
Nondurable goods manufacturing	0	118,616	118,230	236,846
Wholesale trade	0	172,322	114,752	287,074
Retail trade	0	54,092	265,824	319,916
Transportation and warehousing*	0	90,797	94,661	185,458
Information	0	28,978	102,775	131,753
Finance and insurance	0	53,319	262,346	315,666
Real estate and rental and leasing	0	68,001	439,691	507,692
Professional, scientific, and technical services	0	108,957	93,116	202,072
Management of companies and enterprises	0	36,319	42,501	78,820
Administrative and waste management services	0	38,637	69,933	108,570
Educational services	0	773	44,433	45,205
Health care and social assistance	0	2,318	354,689	357,007
Arts, entertainment, and recreation	0	2,318	31,682	34,001
Accommodation	0	2,318	20,091	22,410
Food services and drinking places	0	7,341	105,866	113,207
Other services*	0	13,523	130,980	144,503
Total	3,863,715	1,322,550	2,426,027	7,612,292

*Including government enterprises.

Table 4
Detailed Franklin County Earnings Impacts

Industry sector	Direct	Indirect	Induced	Total
Agriculture, forestry, fishing, and hunting	0	0	0	0
Mining	0	0	0	0
Utilities*	0	1,159	3,477	4,636
Construction	1,085,687	790	2,705	1,089,181
Durable goods manufacturing	0	52,160	2,318	54,478
Nondurable goods manufacturing	0	8,500	6,955	15,455
Wholesale trade	0	37,478	15,068	52,547
Retail trade	0	13,523	38,637	52,160
Transportation and warehousing*	0	16,228	10,818	27,046
Information	0	4,636	8,500	13,137
Finance and insurance	0	9,659	27,819	37,478
Real estate and rental and leasing	0	10,432	35,546	45,978
Professional, scientific, and technical services	0	35,160	20,091	55,251
Management of companies and enterprises	0	8,887	6,955	15,841
Administrative and waste management services	0	12,364	14,296	26,660
Educational services	0	386	9,273	9,659
Health care and social assistance	0	773	69,161	69,933
Arts, entertainment, and recreation	0	773	5,023	5,796
Accommodation	0	773	2,705	3,477
Food services and drinking places	0	1,932	17,000	18,932
Other services*	0	4,250	22,796	27,046
Households	0	0	1,545	1,545
Total	1,085,687	219,862	320,688	1,626,238

*Including government enterprises.

Table 5
Detailed Franklin County Employment Impacts

Industry sector	Direct	Indirect	Induced	Total
Agriculture, forestry, fishing, and hunting	0.0	0.0	0.0	0.0
Mining	0.0	0.0	0.0	0.0
Utilities*	0.0	0.0	0.0	0.0
Construction	20.4	0.0	0.0	20.5
Durable goods manufacturing	0.0	1.0	0.0	1.0
Nondurable goods manufacturing	0.0	0.2	0.1	0.3
Wholesale trade	0.0	0.6	0.2	0.8
Retail trade	0.0	0.5	1.5	2.0
Transportation and warehousing*	0.0	0.3	0.2	0.6
Information	0.0	0.1	0.1	0.2
Finance and insurance	0.0	0.2	0.5	0.7
Real estate and rental and leasing	0.0	0.4	2.3	2.7
Professional, scientific, and technical services	0.0	0.6	0.3	0.9
Management of companies and enterprises	0.0	0.1	0.1	0.2
Administrative and waste management services	0.0	0.4	0.5	0.9
Educational services	0.0	0.0	0.4	0.4
Health care and social assistance	0.0	0.0	1.5	1.5
Arts, entertainment, and recreation	0.0	0.0	0.2	0.2
Accommodation	0.0	0.0	0.1	0.1
Food services and drinking places	0.0	0.1	1.0	1.1
Other services*	0.0	0.1	0.7	0.8
Households	0.0	0.0	0.1	0.1
Total	20.4	4.5	10.0	35.0

*Including government enterprises.

Tables 6, 7, and 8 provide the detailed output, earnings, and employment impacts for all contracts to date.

Table 6
Detailed Franklin County Output Impacts – Cumulative

Industry sector	Direct	Indirect	Induced	Total
Agriculture, forestry, fishing, and hunting	0	773	14,188	14,961
Mining	0	61,470	8,719	70,189
Utilities*	0	452,183	715,557	1,167,741
Construction	79,459,403	99,162	294,592	79,853,157
Durable goods manufacturing	4,469,199	8,154,679	385,377	13,009,255
Nondurable goods manufacturing	0	1,613,794	1,215,545	2,829,338
Wholesale trade	0	3,780,542	1,538,508	5,319,049
Retail trade	0	1,102,819	3,261,751	4,364,570
Transportation and warehousing*	0	1,918,647	1,222,661	3,141,308
Information	0	644,648	1,394,442	2,039,090
Finance and insurance	0	1,142,693	3,397,737	4,540,430
Real estate and rental and leasing	0	1,522,177	6,135,159	7,657,336
Professional, scientific, and technical services	0	2,419,737	1,298,946	3,718,683
Management of companies and enterprises	0	743,140	517,174	1,260,314
Administrative and waste management services	0	847,287	933,757	1,781,045
Educational services	0	16,470	566,119	582,589
Health care and social assistance	0	48,123	4,541,012	4,589,135
Arts, entertainment, and recreation	0	51,698	420,518	472,216
Accommodation	0	58,048	269,595	327,643
Food services and drinking places	0	149,971	1,374,276	1,524,247
Other services*	0	292,829	1,718,402	2,011,231
Total	83,928,602	25,120,890	31,224,037	140,273,529

*Including government enterprises.

Table 7
Detailed Franklin County Earnings Impacts – Cumulative

Industry sector	Direct	Indirect	Induced	Total
Agriculture, forestry, fishing, and hunting	0	0	0	0
Mining	0	526	0	526
Utilities*	0	42,348	73,748	116,096
Construction	22,327,742	19,975	56,962	22,404,680
Durable goods manufacturing	442,586	1,124,380	49,016	1,615,982
Nondurable goods manufacturing	0	181,987	146,734	328,721
Wholesale trade	0	818,864	318,383	1,137,247
Retail trade	0	281,631	816,940	1,098,571
Transportation and warehousing*	0	361,885	228,743	590,629
Information	0	101,740	180,174	281,913
Finance and insurance	0	219,706	588,197	807,903
Real estate and rental and leasing	0	221,954	751,585	973,539
Professional, scientific, and technical services	0	759,072	424,809	1,183,881
Management of companies and enterprises	0	212,648	147,049	359,697
Administrative and waste management services	0	282,375	302,491	584,866
Educational services	0	8,077	196,381	204,458
Health care and social assistance	0	15,892	1,461,915	1,477,807
Arts, entertainment, and recreation	0	17,233	105,979	123,211
Accommodation	0	16,786	57,094	73,880
Food services and drinking places	0	43,752	359,454	403,206
Other services*	0	95,950	481,771	577,721
Households	0	0	32,678	32,678
Total	22,770,329	4,826,780	6,780,103	34,377,212

*Including government enterprises.

Table 8
Detailed Franklin County Employment Impacts

Industry sector	Direct	Indirect	Induced	Total
Agriculture, forestry, fishing, and hunting	0.0	0.0	0.1	0.1
Mining	0.0	0.0	0.0	0.1
Utilities*	0.0	0.4	0.6	1.0
Construction	380.5	0.3	0.9	381.8
Durable goods manufacturing	6.6	18.9	0.8	26.4
Nondurable goods manufacturing	0.0	3.0	2.4	5.5
Wholesale trade	0.0	11.0	4.3	15.3
Retail trade	0.0	9.7	28.0	37.7
Transportation and warehousing*	0.0	6.6	4.7	11.3
Information	0.0	1.5	2.8	4.3
Finance and insurance	0.0	3.6	9.7	13.3
Real estate and rental and leasing	0.0	8.1	43.3	51.4
Professional, scientific, and technical services	0.0	11.2	6.6	17.8
Management of companies and enterprises	0.0	1.9	1.3	3.2
Administrative and waste management services	0.0	8.1	9.1	17.2
Educational services	0.0	0.2	7.4	7.5
Health care and social assistance	0.0	0.3	28.7	29.0
Arts, entertainment, and recreation	0.0	0.6	4.0	4.6
Accommodation	0.0	0.4	2.1	2.5
Food services and drinking places	0.0	2.1	18.3	20.5
Other services*	0.0	2.3	13.2	15.5
Households	0.0	0.0	2.8	2.8
Total	387.1	90.3	191.3	668.8

*Including government enterprises.